



Asia-Pacific Center for Security Studies



SPECIAL ASSESSMENT

DECEMBER 2003

Asia's China Debate

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Weighting for China, Counting on the United States: Asia's China Debate and U.S. Interests

S A T U P . L I M A Y E

Executive Summary

- Asian countries are according a rising China greater weight, but also waiting to see how China and its policies evolve. Within Asian countries and regionally, general agreement favors engaging China.
- Today's "stakeholders" of Asian countries' China debate are more numerous—complicating policymaking and implementation.
- Asian anxieties center on how China's increasing power will impinge on territorial and border disputes and sovereign prerogatives. Some worry persists about China's ability to sustain economic growth and political stability. Unease exists about ethnic Chinese migration and diasporas and the possible reassertion of China's historical dominance.
- The United States has a prime opportunity to influence Asia's China debate because the debate is ongoing, and the United States remains regarded as fundamental to national and regional calculations—including about China.
- Extreme U.S.-China tensions and possible pressures by either to "choose sides" are unwelcome. No Asian country expects or desires China to supplant U.S. regional pre-eminence. At worst, some favor a "balance of great powers" or a "multi-polar" order. Having more stakeholders in Asia's China debate benefits the United States because Beijing has to work harder at making a coherent, consistent Asia policy and the United States can exploit inconsistencies.
- Asia's decisions on issues ranging from missile defenses to trade will consider Chinese positions, but for the foreseeable future are unlikely to be determined by them. Indeed, Asia's China debate might well evolve to facilitate closer ties to the United States.

Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE DEC 2003		2. REPORT TYPE		3. DATES COVERED 00-00-2003 to 00-00-2003	
4. TITLE AND SUBTITLE Weighting for China, Counting on the United States: Asia's China Debate and U.S. Interests				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Asia-Pacific Center for Security Studies, 2058 Maluhia Road, Honolulu, HI, 96815				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT Same as Report (SAR)	18. NUMBER OF PAGES 7	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

THE CHARACTER OF ASIA'S CHINA DEBATE

China's geographical proximity, cultural influence (both traditional and contemporary *China chic*), awesome economic growth, increasing diplomatic activity and military improvements make it a formidable factor for Asian countries to weigh in their pursuit of prosperity and security. After the role of the United States, China's role today is undoubtedly the second most prominent feature in the Asia-Pacific security landscape. Regional countries understandably have responded by according China greater attention and interaction. Emblematic of the emerging dynamic between China and the region is Chinese President Hu Jintao's arrival a day earlier than President Bush in Bangkok for the October 2003 Asia-Pacific Economic Cooperation summit conference, his warmly received address to the Australian parliament—the first by an Asian leader—a day after President Bush, and China's emergence as South Korea's number one export partner in just a decade. China's part in the six-party talks regarding North Korea also indicates China's mounting influence.

Though currently focused on its economic development and social and political stability, China is increasingly averse to a U.S. presence in the region. The underlying messages of China's so-called New Security Concept (NSC) oppose American pre-eminence, alliances, and development of ballistic missile defense, and signal Beijing's long-term intentions counter to American policies. The combination of China's rise, its goals contrary to U.S. interests, and the emerging Asian responses to China, has a number of implications for U.S. interests. Considerable attention has been given to the implications for the United States of China's rise and its intentions. These subjects have been a matter of at times heated debate within the United States. Less attention has been paid to the related topic of Asia's China debate and its implications for U.S. interests.

Asia's China debate has several notable characteristics. First, the "debate" as such is relatively recent—dating from the post-Cold War era. And even during this decade and a half there have been substantial shifts in regional attitudes about China, reflecting among other things China's behavior, U.S. actions and regional developments. Just a few years ago, Asian anxiety about China was substantial. Beijing was then regarded as inflexible about disputes in the South China Sea—and belligerent when it occupied Mischief Reef in 1995, reticent about the region's emerging multilateralism, and a potential economic problem given its ability to swamp the region with cheap products produced by cheaper labor, compete for exports and divert foreign direct investment. Beijing's confrontational behavior in the 1996 Cross-Straits crisis provoked many to wonder how China would act when its military modernization had advanced further. However, mostly in the aftermath of the Asian financial crisis that began in 1997, China has taken a number of steps to alleviate Asian anxieties. These included swift economic assistance to affected countries in the wake of the crisis and refraining from devaluing its currency. China has also made considerable rhetorical and tangible assurances that Asian prosperity is in Chinese interests. Beijing has offered trade arrangements such as the ASEAN-China Free Trade Area to alleviate concerns about losses to regional neighbors from China's entry into the World Trade Organization (WTO). On the political front, China has been considerably more amenable to participation in multilateral fora and has desisted from pressing its

South China Sea claims while signing a code of conduct on handling competing claims. It has also signed the Treaty of Amity and Cooperation (TAC) with the Association of Southeast Asian Nations (ASEAN). Even its handling of Taiwan has been less ham-fisted than usual. Given the relative quick volte-face in Chinese behavior, Asia's debate is still evolving and waiting to see what trajectory China takes domestically and regionally.

Another important characteristic of Asia's China debate is complexity. The different currents in China's development and behavior, transformations in other Asian countries, shifting geo-politics, the impacts of globalization, the growth of multilateral institutions, the spread of transnational challenges and America's regional role all complicate the picture surrounding China's rise—and hence the debate. This complexity also makes China's rise stand out rather starkly today—more than it might have a decade ago. For Asia's current China debate is taking place as the fortunes of the People's Republic of China (PRC) have risen while those of many countries in the region have become cloudy. Southeast Asia has weathered the worst of the 1997 financial crisis, but now faces challenges emanating from terrorism. Japan meanwhile continues to struggle economically and renewed tensions and uncertainty prevail on the Korean Peninsula. Russia is troubled, and India is preoccupied with Pakistan and domestic difficulties. The United States is presently focused on the Middle East. This context makes China's role in the region appear more intense and prominent than it might otherwise seem.

This complexity is exacerbated because today there are more stakeholders in Asian countries' China debate than in the past. As a result of China's booming economy, its active regional diplomacy (including participation in multilateral organizations) and gradually opening society, an increasing number of constituencies have been involved in the Asian debate about China. This change also is made possible by a parallel expansion of economies, politics and civil societies across Asia. As a result, today it is not just politicians, bureaucrats and soldiers who are affected by China, but also publics, business groups, labor unions, media and nongovernmental organizations. Each has differing stakes, interests and approaches in dealing with China. Inevitably, Asian countries will have difficulties in deciding and carrying out policy toward China and vice versa. A similar trend has long been evident in the United States, and to some extent in Japan.

Third, a working agreement *within* Asian countries favors engagement and accommodation with, but not appeasement of China. It also favors cooperating with the United States and China in parallel, and abhors the prospect of either Washington or Beijing pressing their country to make a choice between them. No country favors supplanting the United States with China in ensuring regional peace and prosperity. The existence of these main points of accord also means China is unlikely to be an issue that divides ruling elites (as it did in Indonesia during the tussle for power between Sukarno and Suharto) or publics and governments in the region. It is worth noting that the dissonance between Asian governments and publics regarding China is less pronounced than regarding the United States. This degree of domestic consensus does not preclude China becoming the equivalent of a "policy football," booted, passed and handed-off to score points at the expense of opponents. This game might especially be prevalent in countries where open politics are more pronounced—such as Japan and India. Nor does it preclude a different debate in the future if developments warrant. In

some sense, debate about China within Asian countries has less resonance and is less pronounced than debate about the United States—which partially speaks to the relative weight of the two countries in Asian calculations as well as the perceptions of the two countries' policies.

As *within* regional countries, across Asia a broad concurrence about the need to engage China has developed—though certainly there exist divergences. In some—most notably North Korea—internal debates are at best opaque to outsiders. In Pakistan, China (which has been a major provider of weapons, including allegedly weapons of mass destruction) is simply too sensitive a topic to openly discuss though discussion does occur within small pockets of the military and bureaucracy. In this stakeholder group, worries about China's reliability exist, but so too does a consensus about its indispensability. On the other hand, in Japan, where concerns about China have grown, the debate about China is very active, and most closely resembles in scope, actors and complexity that of the United States. In Russia there is an active debate within the government and between Moscow and the Russian Far East, but less so among the public. The prevailing consensus in Russia is to cooperate with China, but a number of issues have the potential to make that cooperation very difficult. In India too the debate tends to be more salient in the policy community than among the mass public—for which the dispute with Pakistan has more immediate resonance. Delhi's debate about China has moved toward greater cooperation with China, but a reservoir of suspicion, enmity and envy about China persists. In both Indonesia and Australia, China has become a less controversial issue than at other points in their contemporary history and cooperation is on the upswing. Thailand's debate about China is described as "positive and relaxed."

Fourth, not all is positive in Asia's China debate. Asian anxieties about China also exist. Some fear that Beijing might revive now quiescent territorial and border disputes as its power grows. Other Asians worry that China's expanding influence will tempt it to veto their sovereign decisions—or at a minimum exert considerable pressures toward one decision over another. The flip side of concerns about China's strength is worries about its ability to sustain economic growth and political stability. The prevailing view in Asia is that China's new leadership will navigate the challenges of economic growth and social and political stability mostly successfully. However, there is at least a notable minority opinion that points out that China still faces daunting challenges, and that the contradictions within China ultimately cannot be managed. New ethnic Chinese migration and old diasporas raise suspicions of unstoppable influx and fifth columns, though these tend to be focused in just a couple of countries. Finally, there are concerns that China's historically dominant position in Asia will be reasserted by Beijing. The components of this role could range from cultural to political hegemony.

There are two main explanations for the current character of Asia's China debate. First, trends within China such as a smooth leadership change, continued strong economic growth, political stability and China's regional behavior cause little alarm. The United States also frames the character of Asia's China debate. Asia's relaxed, optimistic China debate is a sign of confidence that the United States will remain a major security guarantor and economic actor in the region—thus blunting fears of China's rise. A recognition of and satisfaction with

America's vital and necessary role in the region today mainly explains the relatively relaxed view in Asia about China's military modernization. On the other hand, some of the positive sentiment about China in Asia reflects Asian concerns about the United States. This should not be taken too far, however. Just as China makes economic and diplomatic inroads into Asia, many Asian countries are renewing, buttressing or building closer relations with the United States.

ASIA'S CHINA DEBATE AND U.S. INTERESTS

The characteristics of Asia's China debate, including its stakeholders and drivers, help to explain why the region is giving greater weight to China, but continues to count on the United States. In other words, the very nature of Asia's China debate has positive aspects for U.S. interests and constrains China in ways not usually recognized.

First, because Asia's China debate is still evolving, the United States has a timely opportunity to influence the debate. Asia has not come to any unshakable conclusions about China, is not required to make any immediate decisions about it, and is not confronted with a compelling, specific policy challenge from Beijing. The United States therefore can calibrate its role in the region consonant with the character of Asia's China debate. That Asia's current positive views of China are of recent provenance and that China's "smile diplomacy" has its gaps, as demonstrated in Beijing's handling of the SARS episode, should also give the United States confidence that Asia's attitudes about China are still open to influence. This is also possible because the United States remains regarded as fundamental to national and regional calculations—including about China. Through security cooperation, constructive participation to make multilateral institutions accountable, and mutually beneficial trade and investment, the United States can strengthen existing relationships and build the basis for new ones. The cautious consensus favoring cooperation with China that prevails within and across Asian countries is in America's interest because it does not require the United States to get mired in divisive domestic or regional disagreements about China. At the same time, the United States can take comfort that countries warier about China are mostly American allies and friends or could be. Hence a more negative Asian debate about China could help buttress or build American relationships with "allies and friends"—should interests and developments necessitate.

Second, in considering U.S. interests it should be noted that the desire among Asian countries for cooperative relations with China does not equate with a willingness to capitulate to China. Indeed, in the medium term no Asian country expects or desires China to supplant U.S. regional pre-eminence. At worst, from the U.S. perspective, some Asian countries favor a "balance of great powers" or a "multi-polar" order in Asia that includes China, but again does not exclude the United States. This aspect of Asia's China debate reinforces the idea that there is room for the United States to create an environment that further strengthens confidence in U.S. policies and relationships in the region. But it also suggests the United States will have to take into account Asians' desire to avoid "choosing sides" between the United States and China or engaging in "pre-emptive containment."

Third, the existence of Asian anxieties about China also speaks to American advantages. Asians fear that territorial and border disputes involving China—quiescent now—might be revived by Beijing as its power increases. It is true that China has signed a number of border settlements with neighbors, but in other important cases these disputes remain unresolved, only partially resolved or resolved unsatisfactorily. A case in point is border disputes between India and China. While most of the border and territorial issues between Beijing and New Delhi remain unresolved, even the progress that has occurred has been somewhat ambiguous as the status of Sikkim suggests. New ethnic Chinese migration (into the Russian Far East for example) and old diasporas (e.g., in Indonesia) raise suspicions of unstoppable influx and fifth columns. Asians worry that China's expanding influence will tempt it to veto others' sovereign decisions. The flip side of Asian concerns about a strong China is worries about China's ability to maintain rapid economic growth and political stability. Finally, there remain worries that with China's rising power will come a temptation to reassert its traditional and historical forms of dominance—ranging from the cultural to the political. To some degree these fears speak to the lack of regional consensus and clarity about China's own future. Asian anxieties about China should assure Americans that not all is going "China's way" in the region.

Fourth, from the point of view of American interests, the constraints on China's Asian relations are inadequately appreciated. Today the stakeholders of Asian countries' China debate extend beyond politicians, bureaucrats and soldiers to encompass Asian publics, business groups, labor unions, journalists and non-governmental organizations. This resembles a trend in the United States. The expansion of stakeholders indicates China's economic boom, diplomatic activism, military rise and opening society as well as the parallel development of economies, politics and civil societies across Asia. More stakeholders within Asian countries reflects China's enhanced regional role, but also its limitations. It means policy coordination is more complex and contentious—making sudden policy changes difficult to decide or implement. China therefore must also work harder, wider, more subtly, and at times in contradictory ways to achieve its objectives—making a coherent, consistent Asia policy a challenge. This constraint on China reinforces the United States' ability to pursue a regional strategy that shapes the debate. More stakeholders also means more avenues through which to channel American influence.

Finally, Asia's China debate has some "built-in" advantages to U.S. interests. First, just as Asia's largely relaxed and positive debate about China could lead to decisions counter to American interests out of deference to China, China's continued rise could also drive regional countries to adopt policies in line with American objectives—such as signing on to missile defense or enhancing security cooperation with the United States. Recent developments in relations with India, Vietnam, Singapore and Japan are signs that this trend is already underway. Second, Asia's China debate has raised enormous expectations of China. If China meets them it would be "socialized" in ways compatible with Asian, and American, interests. If it does not meet Asian expectations of cooperative behavior, Asians are likely to turn further to the United States to offset China. Third, despite occasional Asian policy disagreements with Washington, the United States, not China, remains the preferred model in Asia.

CONCLUSIONS

While the actions Beijing takes at home regarding its economy, society and polity, and regionally on issues ranging from multilateral participation to trade agreements to border and territorial disputes will be a major factor in how Asia continues to respond to China, as important will be how the United States plays its regional role. The United States has the power and the influence to help shape Asia's debate about China in ways consistent with American interests, and Asia's. And the Asia-Pacific region is largely receptive to the United States taking such a role. Indeed, if current trends in China's regional role persist, Asia might be even more receptive to American presence and cooperation.

The views expressed in this publication are those of the author(s) and do not necessarily reflect the official policy or position of APCSS, U.S. Pacific Command, the U.S. Department of Defense, or the U.S. Government.

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